

REPORT OF THE AUDIT COMMITTEE

June 9, 2009

The Honorable,
The Board of Commissioners of Cook County

ATTENDANCE

Present: Chairman Daley, Commissioners Butler, Gainer and Gorman (4)

Ex-Officio Member: Laura A. Burman – Cook County Auditor (1)

Absent: Vice Chairman Goslin, Commissioners Maldonado and Schneider (3)

Ex-Officio Member: Joseph M. Fratto – Interim Chief Financial Officer,
Bureau of Finance (1)

Also Present: Commissioners Peraica, Collins and Suffredin (3); Nicholas G. Grapsas –
Cook County Public Administrator; Patrick T. Driscoll, Jr. – Deputy State's
Attorney, Chief, Civil Actions Bureau; Zelda Whittler – Undersheriff, Office of
the Sheriff; and Alexis A. Herrera – Chief Financial Officer, Office of the
Sheriff

Court Reporter: Anthony W. Lisanti, C.S.R.

Ladies and Gentlemen:

Your Audit Committee of the Board of Commissioners of Cook County met pursuant to
notice on Tuesday, June 9, 2009 at the hour of 11:00 A.M. in the Board Room, Room 569,
County Building, 118 North Clark Street, Chicago, Illinois.

Chairman Daley entered into the record a corrected cover letter from Nicholas G.
Grapsas, Public Administrator, which corrected an error in the transmittal date by changing it
from 2008 to 2009. (See Attachment 1).

Your Committee has considered the following items and, upon adoption of this report,
the recommendations are as follows:

298605 FY2007 DEPARTMENT OF HUMAN SERVICES (DHS) GRANT REPORT.
Transmitting a Communication, dated January 16, 2009 from Laura A. Burman,
C.P.A., Cook County Auditor:

submitting herewith a copy of the FY2007 Cook County Department of Human
Services (DHS) Grant Report. The Illinois Department of Human Services (DHS)
requires annual financial reporting from providers which receive funding from DHS.
Included in Cook County's reporting package is the "Report on Agreed-Upon
Procedures to Review Grant Reports" issued by the Cook County Auditor.

*** Referred to the Audit Committee on February 4, 2009.**

Commissioner Butler, seconded by Commissioner Gainer, moved to receive and file Communication Number 298605. The motion carried.

300313 INDEPENDENT AUDITOR'S REPORT. Transmitting a Communication, dated April 9, 2009 from Thomas J. Dart, Sheriff of Cook County by Alexis A. Herrera, Chief Financial Officer:

submitting the Independent Auditor's Report dated February 23, 2009 from Sam Macaluso & Associates, Inc., Certified Public Accountants for the period ending November 30, 2008. This audit report contains a Statement of Revenues Collected, Expenditures Paid and Changes in Fund Balances for the Federal Equitable Sharing Program and the State Equitable Sharing Program administered by the Cook County Sheriff's Office.

*** Referred to the Audit Committee on May 5, 2009.**

Commissioner Peraica inquired as to the negative numbers on the balance sheet.

Alexis A. Herrera, Chief Financial Officer for the Sheriff's Office, stated the 2008 expenses exceeded the revenue for that year, but such fluctuations are normal, and the overall balance remains positive. The current fund balance is \$657,000.00 in the federal account and in the State fund it is \$1,166,727.00.

Commissioner Butler, seconded by Commissioner Gainer, moved to receive and file Communication Number 300313. The motion carried.

300847 COOK COUNTY AUDITOR, by Laura A. Burman, transmitting a Communication, dated May 27, 2009:

We are submitting herewith a copy of the Cook County Public Administrator Internal Investigation report dated October 17, 2007 from McGovern & Greene LLP.

*** Referred to the Audit Committee on June 2, 2009.**

Nicholas G. Grapsas, Cook County Public Administrator, stated all relevant law enforcement agencies related to the inquiry have been contacted including the Attorney General's Office. He stated that he has been advised that no further inquiry is pending. In the past, pending investigations had precluded his office from releasing the audit.

Patrick T. Driscoll, Jr., Deputy State's Attorney, Chief, Civil Actions Bureau, stated the Financial Crimes Unit of the State's Attorney's Office considered the available evidence and declined to pursue an investigation, but did refer the matter to the Attorney General. The Deputy Supervisor of the Financial Crimes and Governmental Corruption Unit indicated they would not pursue any investigation, because the three year statute of limitation for state crimes has elapsed. In the federal system, the limit is five years, with a ten year limit for certain types of bank fraud.

Commissioner Peraica objected to the fact that the statute of limitations had lapsed, thus preventing any possible prosecution.

Commissioner Gorman inquired as to the payee's relationship with the estate in the matter of the stolen checks. Mr. Grapsas responded it was unclear, but it was determined that the payee was not an employee of the previous public administrator.

Laura A. Burman, Cook County Auditor, stated no monies were transferred from the general funds of Cook County at any time. The transfers in question were from dedicated reserve funds in the Public Administrator's office, and were used for operating purposes when deficits were identified.

Chairman Daley requested that the Public Administrator provide a written statement regarding the nine recommendations on page 18 of the independent auditor's report. (See attachment 2).

At the request of the Public Administrator, a copy of his reply to a published report, co-signed by Ms. Burman, is included in the record. (See Attachment 3).

Commissioner Gorman, seconded by Commissioner Gainer, moved to receive and file Communication Number 300847. The motion carried.

Chairman Daley asked the Secretary to the Board to call upon the registered public speaker, in accordance with Cook County Code, Sec. 2-108(dd):

1. George Blakemore - Concerned Citizen

Commissioner Gorman, seconded by Commissioner Butler, moved to adjourn the meeting. The motion carried and the meeting was adjourned.

**YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION
WITH REGARD TO THE MATTERS NAMED HEREIN:**

Communication Number 298605	Receive and File
Communication Number 300313	Receive and File
Communication Number 300847	Receive and File

Respectfully submitted,
Audit Committee

John P. Daley, Chairman

Attest:

Matthew B. DeLeon, Secretary

The transcript and audio recording for this meeting is available from the Office of the Secretary to the Board, 118 North Clark Street, Room 567, Chicago, IL 60602.